

**Village of Dexter
Citizens Advisory Committee
“City Study Committee”
Final Report – March 7, 2007**

Study of the Village of Dexter Incorporating
and becoming a Home Rule City

On May 22, 2006 the Dexter Village Council adopted a resolution to establish a City Study Committee to explore the advantages and disadvantages of incorporating the Village of Dexter into a Home Rule City. The committee was tasked with recommending back to Village Council whether or not to proceed with becoming a City. The Committee, which was comprised of 17 community members from diverse backgrounds, met 11 times over an eight-month period from August 2006 to March 2007. During the meetings, the committee reviewed other city group studies, analyzed data on transition costs and tax implications, received a number of guest speakers and conducted a Citizens input Open House. Guest speakers to meetings included: representatives from the City of Chelsea (a neighboring community that recently became a City); past Village Presidents and elected officials of the Village, the Dexter Village Treasurer; and Township Supervisors from Scio and Webster townships. In addition, information on the process to become a city was received from The Michigan Municipal League as well as an attorney from Miller Canfield who specializes in City status transition. The report that follows is the culmination of that effort.

Process

The process of becoming a city is a 14-step process that is outlined in Exhibit A under "Timeline for Incorporation" published by the State of Michigan.

In addition to the regular meetings of the City Study Committee, an Open House was held for the public on February 28th, 2007 with citizens and government leaders in attendance. (Complete comments from the Open House can be found in Exhibit B). Throughout the estimated 2-3 year process to become a city, there will be additional opportunities for citizens to provide input and ultimately vote on city status.

Establishing a city study committee, collecting community input, and producing this report is step 1 of the 14-step process.

Population Comparison

In 2004 there were 533 Cities and Villages in the State of Michigan (*see table 1*). Of the 260 Villages, the Village of Dexter was 36th, based on population. By the end of 2006, the Village had grown to approximately 3,500 residents, which put Dexter as one of the top 10 largest Villages in the State of Michigan. When compared to the 273 Cities in Michigan, the Village of Dexter is larger than 133 Cities, based on 2006 SEMCOG population estimates.

Incorporation Status for Cities and Villages in Michigan (*source: Michigan Municipal League, 2004*)

Table 1

Population Range	Number in Range	273 Cities			260 Villages	
		Home Rule	Home Rule Fourth Class city Act	Special Charter	Home Rule	General Law
Over 50,000	25	25				
25,00-50,000	20	20				
10,000-24,999	44	43			1	
5,000-9,999	53	51			2	
2,000-4,999	113	78	2		9	24
750-1,999	140	45	1		11	83
Under 750	138	3	4	1	25	105
Totals	533	265	7	1	48	212

Village of Dexter -->
Current est. 3,500

Becoming a City

To most people the word "City" means large, noisy, impersonal place where lots of people live. The word "Village" suggests small, quaint town where people know their neighbor. While some of these perceptions may be true, and can be found within a short distance, the true difference is very simple. Villages are part of a township(s) with residents who pay taxes to and receive some services from the township(s). Cities are independent of townships, and provide all of the services to their residents. (For more information on the basic structure of home rule cities, review Exhibit C.)

Whether a municipality chooses to become a city, or remain a village, is not dependent on population or area, but on the form of government that is deemed to best serve the taxpayers and residents. It is this question the committee has attempted to answer to the best of our ability.

While concerns over future growth were brought up many times, the Committee settled on a position that annexation and growth issues are independent from the form of government we should have in the Village of Dexter. Therefore, annexation and growth issues were not considered when determining the Committee's recommendation.

Transition Costs

To determine the incremental costs of becoming a city, the Committee reviewed all the services the Village currently provides; in addition to the services that the Village would take on if it became a city. After careful review, it was determined that there were only 2 (two) main functions that are not currently provided by the Village: property assessments/appraisals, and elections. See table 2 for a summary of the estimated incremental costs associated with providing these services.

Table 2 **Incremental Costs to become City (est.)**

Appraising Function	One-Time Expenses	Estimated Annual Exp.
- Contracted Appraiser (est. \$15 per parcel 2000)		\$30,000.00
Elections		
- Running elections and associated costs		\$15,000.00
- Purchase of new equipment	\$15,000.00	
Misc.		
- Name Change, Application Fees, Legal, etc.	\$15,000.00	
- Webster TWP Settlement (for 12 years)		\$23,000.00
- Miscellaneous annual expenses		\$5,000.00
Total Estimated Incremental Expenses for New Services	\$30,000.00	\$73,000.00

Appraising: Currently done by the townships, could be contracted out to professionals for between \$15 and \$20 per parcel, costing approximately \$30,000 per year.

Elections: In order to run elections, the Village would need to purchase their own equipment, for an estimated cost of \$15,000. Therefore, there would be some non-reoccurring up front costs in order to take over elections, in addition to annual costs.

(Transition Costs continued)

Miscellaneous Costs: While there are a number of miscellaneous costs, from application fees, legal fees to name change costs, by far the largest transitional expense will be the payment to Webster Township. The terms of a prior boundary agreement with Webster Township stipulates that should the Village ever become a City that the Village would pay Webster Township for a period of 12 years, 1.16 mills.

Staffing Needs

Through discussions with the Village Manager and the Village Treasurer it appears no incremental full-time personnel would be necessary to assume the assessing and election functions. Specialized services (i.e. assessing) would be handled by experts hired on a seasonal, part-time, or contractual basis. A firmly established village of Dexter organizational goal for any future full-time staffing needs is to exhaust every other possibility (private contracting, part-time, seasonal) to satisfy future needs before adding full-time employees. Employee legacy costs associated with adding full-time staff must be managed whether we are a City or a Village. This isn't a topic the City Study committee would have researched because all communities in Michigan are under a mandate to deal with postemployment benefit funding liabilities.

Tax Implications

In order to understand the tax implications, the Committee analyzed how property owners are currently being taxed. A review of current taxation by the various taxing authorities was undertaken. (Table 3 below)

		"Snap Shot" of Current Tax Collections			
<i>Table 3</i>		Scio S.E.V.: 161,432,047		Webster S.E.V.: \$20,980,727	
collection Periods	Government Entities	Scio Twp¹		Webster Twp¹	
		Millage Rates	Tax Revenue	Millage Rates	Tax Revenue
S	Village-(all areas)	13.5562	\$2,188,405	13.5562	\$284,419
W	Townships	1.4513	\$234,286	3.6666	\$76,928
W	Library	1.6709	\$269,737	1.6709	\$35,057
W	DCS -Debt	8.5000	\$1,372,172	8.5000	\$178,336
W	Dexter Schools ²	18.0000	\$850,364	18.0000	\$377,653
S	State Ed. Fund	6.0000	\$968,592	6.0000	\$125,884
S	County	5.5024	\$888,264	5.5024	\$115,444
W	WISD	3.9970	\$645,244	3.9970	\$83,860
W	WCC	3.7249	\$601,318	3.7249	\$78,151
Total Taxes collected			\$8,018,383		\$1,355,733
Residential Millage Rate (PRE)		44.40	mils	46.62	mils
Non-Residential Millage Rate		62.40	mils	64.62	mils

¹Most current Millage Rates & Taxable Values collected from each taxing authority.

²Not collected on Primary Residential Units (PRE rate),

³Current total taxes collected by townships that would be partly eliminated under city status.

S-Collected in summer, W-Collected in winter, PRE - Primary Residential Unit

(Tax Ramifications continued)

The highlighted line in Table 3 shows that in addition to the 13.56 mills that residents are currently taxed in the Village, they are taxed an additional 1.45 and 3.66 mills in Scio and Webster townships respectively. That translates into what village resident's pay to respective townships, \$234,286 to Scio Township and \$76,928 to Webster Township. (See table 4 for a breakdown of township millages and fees)

Table 4 Breakdown of Township Millage & Fees

Scio Township		Webster Township	
Type	Mills	Type	Mills
Gen. Millage ¹	0.9513	Gen. Millage ¹	0.7899
PDR (open space):	0.5	Headly rollback:	0.3701
	1.4513	public safety:	2.0
		PDR:	0.5
			3.66

				Total 1% Fee
Scio Admin. Fee ²	\$58,300	Webster Admin. Fee ²	\$10,713	\$69,013

¹ Millage rate as of 12/31/06

² 1% administrative fee collected by townships that would be transferred to the Village.

If the Village became a City, it is the township millage and fees, shown above, that would be eliminated and which would represent a tax savings opportunity to village property owners. While some of the tax revenue captured from the township would be retained by the City of Dexter to pay for services the City would now take on, most of the township taxes would be eliminated.

As a way to illustrate how this could work, the committee used the estimates for incremental annual costs found in table 2, and estimates in table 5 below "Effect on Village General Fund", to determine a realistic scenario.

Table 5 below shows the effect on our General Fund by adjusting the millage rate .25 mills and taking over the 1% administrative fee currently charged by the townships for tax collections.

"City" Scenario

Eliminate all Township tax except .25 mills + collect the 1% administration fee collected by the Townships.

Table 5 Effect on Village General Fund

.25 Mills captured from Scio	.25 Mills captured from Webster	Total Mills captured from Townships	Revenue Captured from 1% Twp Admin Fee	New Revenue 1% Admin Fee on Current Village Tax	Estimated Total NEW Revenue
\$40,358	\$5,245	\$45,603	\$69,013	\$24,728	\$139,344

Estimated Total New Village Revenue	139,344
Estimated Incremental Annual Expense for New Services ¹	\$73,000
	\$66,344

¹ From Table 2 on page 3

(Tax Ramifications continued)

From the example above, you can see that the additional revenue (\$139,344) would be enough to cover the estimated incremental costs (\$73,000) required to take over assessing, elections, and other incremental functions, plus leave a small surplus for unanticipated transitional expenses. While this scenario is an example of how the finances could work, it appears that becoming a city will not cost our residents any additional tax dollars.

In addition, by only capturing .25 mills, the remainder of the township taxes could be eliminated and would represent a savings to our taxpayers (in this example: 1.2 mills for village residents living in Scio, and 3.41 mills for village residents living in Webster.) While it appears that all property owners would see some level of savings, Village residents that live in Webster Township will realize a greater tax savings.

To see how this might affect individual taxpayers, see table 6 below, "Effect on individual taxpayers". Please keep in mind that these are estimates only based on the scenario in table 5.

Table 6**Estimated Effect on individual property owners**

Taxable Value		Scio Residents est. Annual Savings	Webster Residents est. Annual Savings
100k	Village Resident	\$120	\$341
150k	Village Resident	\$180	\$511
200k	Village Resident	\$240	\$682
100k	Business Owner	\$120	
250k	Business Owner	\$300	
500k	Business Owner	\$600	
1 Million	Business Owner	\$1,200	
2 Million	Business Owner	\$2,400	
5 Million	Business Owner	\$6,000	

Impact on Business Property Owners

The most significant tax savings would impact businesses (*see table 6*), especially large businesses of the size that occupy our industrial park. Lower tax rates could provide a benefit by retaining as well as attracting additional investment into our industrial park and further stabilizing the Village's overall financial outlook.

Effect on Townships

Based on current data, Scio Township would experience a \$234,000 reduction in tax revenue or 21% of its property tax revenue. Webster Township would experience \$77,000 reduction in tax revenue or 17% of property tax revenue. However, the total impact to Webster Township would not be fully felt until after the 12-year period that was stipulated per a prior boundary agreement. Both Scio and Webster Township Supervisors indicated that the loss of tax revenue probably would not impact their staffing levels.

Municipal Boundaries

All of the assumptions, calculations and recommendations in this report are based on current Village boundaries. It is our recommendation that the official description of the current Village boundaries be obtained from the State Office of the Great Seal and used when submitting the application to the State of Michigan Boundary Commission.

Public Image

The idea of Dexter becoming a City has caused some concern that we would give up our "small town" feel. The idea that the Village would give up our "small town feel" by simply changing our name is unlikely. We need look no further than the City of Chelsea, our neighbor to the west. When representatives from the City of Chelsea made their presentation to the committee, they clearly stated that very little had changed with regard to the character or "feel" of Chelsea since becoming a city and the transition was seamless to residents.

Considerations City vs. Village

Initial reactions from several members of the committee questioned, what are the compelling reasons to become a city? A taxpayer in Scio Twp would save approximately \$10 to \$20 per month, while a taxpayer in Webster Twp would save approximately \$30 to \$40 per month. For that amount of savings why go through the exercise? Below is a list of consideration to becoming a city, which the Committee acknowledges is not an exhaustive list and recognizes that as the process to become a City proceeds additional considerations will be brought forth.

1. Village residents will see an immediate reduction in their property taxes.
2. Simplification of government – currently, village residents are part of two local governments. One for village purposes and one for township purposes. The residents of a City of Dexter will have only one local government instead of multiple layers of government.
3. A City gets more respect from other Cities, the County, and the State, than a Village. Specifically, legislation developed by the State is written for Cities and Townships.
4. The subservient relationship of a Village to a Township would be eliminated.
5. Write our own City Charter, assess and tax our own property and in general, have more control over our future.
6. Receive bills, pay taxes, and ask questions for all city, county and school taxes at one location.
7. Vote for city, county, school, state and national elections at a single location within the city.
8. Residents will loose the opportunity to run for office or vote in Township elections.
9. There will be many powers granted a City through its Charter. Questions like: Will there be a City Income Tax? Or Will the Mayor be permitted to perform marriages? These and many other questions will need to be addressed in a City Charter, and the City Charter put before the community for a vote.

CONCLUSION

The Members of the City Study Committee would like to thank the Dexter Village Council for this worthwhile opportunity to be a part of one of the biggest decisions that the Village will ever make. The Committee has been objective, diligent and resolute in its desire to bring a recommendation to Village Council.

RESOLUTION

At a regular meeting of the City Study Committee, called to order by Chairman Coy on March 7, 2007 at 7:00 p.m., the following resolution was offered:

Moved by: Stacey Supported by: Gergely

Whereas, the City Study Committee has been objective, diligent and resolute in its desire to bring a recommendation to the Village Council, and

Whereas, this report is submitted in support of the following recommendation.

NOW, THEREFORE, BE IT RESOLVED that the City Study Committee does recommend that it is time to pursue City status, and that Village Council should take the next step toward this end.

Ayes: Waggoner, Stivers, Stacey, Rush, Jones, Miller, Gergely, Foster, Flowers, Bellas, and Coy

Absent Ayes: Beall, Conlin, Sprague, Vickers, and Wall

Nays: Gochanour

Absent Nays: None

Absent: Beall, Conlin, Sprague, Vickers, Wall

RESOLUTION DECLARED ADOPTED THIS 7th DAY OF MARCH 2007.

John Coy, City Study Committee Chairman

Listed below are the members of the City Study Committee. The Committee would like to dedicate this report in memory of John Wensel, who passed away during this endeavor.

John Coy, Chair	Libby Beall	Steve Gergely	Carol Jones	Bob Stacey	Kandie Waggoner
Rich Bellas	Lori Flowers	Gary Gochanour	Jon Rush	Scott Stivers	Bart Wall
Pat Conlin	Wanda Foster	Mary Ellen Miller	Aaron Sprague	Michael Vickers	John Wensel, Posthumous



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

ROBERT W. SWANSON
ACTING DIRECTOR

TIMELINE FOR INCORPORATION

ACTION	TIME
PART I. OBTAINING APPROVAL FOR INCORPORATION	
1. Preparation Activities: task force comprised of residents, survey, public forums	
2. Prepare draft petition	
3. Pre-review of draft petition by State Boundary Commission (optional)	Approximately 4 weeks
4. Circulate petition for signatures	
5. File petition with State Boundary Commission	
6. Boundary Commission legal sufficiency meeting	Approximately 90 days filing
7. Public Hearing conducted by Boundary Commission	Approximately 45 days after legal sufficiency meeting
8. Period to submit additional material to docket	Ends 30 days after public hearing.
9. Rebuttal period (Docket open 7 days for final responses)	Approximately 60-90 days after public hearing
10. Boundary Commission Adjudication	Approximately 30 days after rebuttal period
11. Boundary Commission adopts Findings	Approximately 30 days after adjudication
12. Director of Department of Labor & Economic Growth Issues Order	Approximately 2-4 weeks

IF THE ORDER DOES NOT APPROVE THE INCORPORATION THE PROCESS ENDS.

IF THE ORDER APPROVES THE INCORPORATION AND A REFERENDUM PETITION IS FILED, THEN GO TO PART II.

IF THE ORDER APPROVES THE INCORPORATION AND A REFERENDUM PETITION IS NOT FILED, THEN GO TO PART III.

PART II. REFERENDUM

- | | |
|--|---|
| 1. Pre-review of referendum petition by Boundary Commission (optional) | Approximately 1-2 weeks |
| 2. Circulate referendum petition for signatures | |
| 3. File referendum petition | Within 45 days after the Order is mailed. |
| 4. Boundary Commission rules on legal sufficiency of referendum petition | Approximately 2 months after of filing |
| 5. Referendum | Date set by Boundary Commission, usually within 90-120 days |

IF THE INCORPORATION IS APPROVED BY REFERENDUM, THEN A CHARTER MUST BE ADOPTED WITHIN 2 YEARS OF THE DATE THE APPROVAL ORDER BECOMES EFFECTIVE.

PART III. ADOPTION OF CHARTER (Does not involve the State Boundary Commission)

1. Charter Commission candidates file nominating petitions.
2. Election of 9 charter commissioners
3. Write draft charter
Charter Commission must meet within 10 days of election, frame draft within 90 days
4. Charter review by governor's office.
5. Referendum on charter
6. If charter does not pass repeat steps 3, 4, and 5.
7. If charter is approved, the effective date of the new city is the date stated in the charter.

IF A CHARTER IS NOT ADOPTED WITHIN 2 YEARS, THE INCORPORATION PROCESS ENDS.



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Procedures for City Incorporation

Petitioners:

1. Accurately describe in the petition the boundaries of the proposed city. (117.7)
2. Represent in the petition that the territory meets the population conditions for incorporation. (117.7)
3. Attach the map or drawing to petition, clearly showing the territory to be incorporated. (117.6)

Circulator of Petition:

4. Shows map or drawing to each person before obtaining their signature on the petition (117.6)

Petitioners:

5. Attach an affidavit signed by one or more petitioners. (117.6 and 117.11)
6. Address the petition to the State Boundary Commission, Department of Labor and Economic Growth, 611 W. Ottawa, P.O. Box 30004, Lansing, MI 48909. (Sec. 7, 191)
7. File the petition with the State Boundary Commission. (Sec. 7, 191)

Boundary Commission:

8. Reviews the petition for conformance to Act 279 and to the rules and regulations of the Boundary Commission and: (Sec. 8, 191)
 - A. Rejects the petition for:
 - 1) Nonconformance with the Act and the Boundary Commission's rules.
 - 2) Containing incorrect statements.
 - B. Returns the petition to the petitioners, together with their reasons and certificate of rejection, or

- C. Declares to the petition legally sufficient and orders a public hearing on the petition.
- 9. Notifies the city and county clerks of the affected municipalities of the public hearing by certified mail at least 30 days before the date. (Sec.8, 191)
- 10. Gives notice of the public hearing at least 7 days before the date by publication in a newspaper of general circulation in the area. (Sec. 8, 191)
- 11. Holds a public hearing on the petition (Sec. 8, 191)
 - A. Not less than 60 or more than 220 days after the filing.
 - B. At some convenient place in the area proposed to be incorporated.
- 12. Considers the reasonableness of the proposed incorporation after considering the criteria established in Section 9. (Sec. 8, 191)
- 13. Determines whether to: (Sec. 10, 191)
 - A. Deny the proposed incorporation.
 - B. Approve the petition.
 - C. Revise the boundaries set forth in the petition, giving reasons for revisions and approval.
- 14. Adopts a resolution to: (Sec. 10, 191)
 - A. Deny the petition, giving its reasons for denial, or
 - B. Approve the petition, giving its reasons for approval, or
 - C. Revise the boundaries set forth in the petition and approve, giving its reasons for revisions and approval.
- 15. Sends a certified copy of its denial order to the petitioner and to each affected county, city, village or township clerk. (Sec. 10(2), 191)

16. Notifies the petitioner and each affected county, clerk, village or township clerk of its approval order and date. (Sec. 10(3), 191)

Note 1: The Commission's approval order is final 45 days after the date of the order unless a proper petition requesting a referendum is filed with the Commission within this 45 day period.

Note 2: The following steps 17 through 22 could apply if residents wish to file a referendum petition.

Voters in the Area Approved for Incorporation:

17. Circulate a petition asking for a referendum on the incorporation question. (10(3), 191)

Note: This petition must be signed by at least 5% of the registered electors residing in the area approved for incorporation by the Commission.

Referendum Petitioners:

18. File the referendum petition with the commission within 45 days of the Commission's approval order. (Sec. 10 (3), 191)

Boundary Commission:

19. Verifies the validity of the referendum petition. (Sec. 10(4), 191)
20. Instructs the Executive Secretary to consult with the affected clerks to determine a possible referendum election date.
21. Orders an election to be held in the area approved for incorporation (Sec. 10(4), 191)
22. Specifies a date after the election on which the Commission's approval order shall become final if the proposal is approved by the voters. (Sec. 10(4), 191)

Note: Should the voters approve of the proposed incorporation or should no referendum petition be filed, the following steps would apply.

23. Sends a certified copy of the Commission's approval order to the petitioner and the clerk of

each affected county, city, village or township and to the Secretary of State. (Sec. 10(5), 191)

24. Orders the election of the 9 charter commissioners at the next general election if it occurs not less than 40 days or more than 90 days after the order is issued. (Sec. 10(3), Sec. 10(5), 191), (117.8)

Note: Although (117.8) states 40 days, this would be impossible since charter commission candidates must file their nominating petitions a minimum of 49 days prior to election day.

25. Orders a special election for the election of 9 charter commissioners if a general election is not to be held within 90 days. (117.8)

26. Directs the clerk of each affected municipality to immediately issue public notice of:

- A. The election of a charter commission.
- B. The qualifications for charter commissioners.
- C. The last day for filing nominating petitions for the office.
- D. Number of signatures required.
- E. Where to obtain nominating petition forms.

Each Charter Commission Candidate:

27. Files a petition with the county clerk on or before 4 P.M., EST, of the same day of the week, 7 weeks prior to the day of the election. (OAG No. 1165, Biennial Report 49-50, p. 516; MSA 6.551)

Note 1: A candidate must be an elector of the territory proposed to be incorporated. (117.15)

Note 2: The nominating petition must be signed by 20 qualified electors residing in the territory proposed to be incorporated. (117.15)

Boundary Commission:

28. Requests the county clerk to have ballots printed in accordance with the Boundary Commission's prescribed form. (117.15)

County Clerk:

29. Prepares the ballot for charter commissioners and places at the head of the ballot the statement, "candidates for the members of the charter commission". (117.15)

Each Village and Township Clerk:

30. Arranges for the election of the charter commissioners. (117.10)

31. Gives notice of the date and purpose of the election, as follows: (117.10)

A. Publishes in 1 or more newspapers published within the district at least once a week for 4 weeks before the election.

B. Posts like notice in at least 10 public places in the district not less than 10 days before the election.

Electors:

32. Vote for charter commissioners. (Sec. 10, 191)

Election Inspectors:

33. Make returns to the local clerk(s) who when take the returns to the county clerk the day after the election. (MSA 6.1809)

Note: "In local elections to be canvasses by the board of county canvassers which are not held in conjunction with a county or state election, the election inspectors shall deliver both sealed envelopes to the local clerk who shall deliver them to the county clerk prior to 11 A.M. on the day following the election." (C.L. 168.809, MSA 6.1809)

34. Make returns to county clerk where the greater part of the proposed city is located if in more than 1 county. (117.12)

Village, Township or County Board of Canvassers:

35. Canvasses the vote for charter commissioners on the first Thursday following the election. (117.12)

Note: PA 65 of 1968 (MSA 6.1020(1)) established a 4 member board of canvassers in every city and township having more than 5 precincts,

in each county with less than 1 million population, notwithstanding any statutory or charter provisions or any other rule or law to the contrary.

36. Certifies the election of the 9 persons receiving the highest vote to the successful candidates and the Boundary Commission. (117.15)

Boundary Commission:

37. Serves notice on charter commission to convene within 10 days.

Charter Commission:

38. Convenes within 10 days after the election and takes the constitutional oath of office. (117.15)

39. Certifies to the Boundary Commission that the first meeting has taken place.

40. Chooses its own officers. (117. 15)

41. Establishes the rules for its proceedings. (117.15)

Note 1: The charter commission has the power to fill vacancies in its membership.

Note 2: Five or more of its members shall constitute a quorum.

42. Keeps a journal and when requested by a member enters roll call votes in the journal. (117.15)

Note: Although (117.15) provides that the charter commission shall frame a charter within 90 days after taking the oath of office, this is not deemed to be a mandatory limit, but it directory only. (OAG No. 2367, 1955, Vol. 1, p. 776; OAG Biennial Reports, 1914, p. 70)

43. Drafts a proposed charter.

44. Sends the proposed charter to the Governor for his approval. (117.22)

Governor:

45. Reviews and approves the proposed charter, signs it and returns it to the charter commission, (117.22), or

46. Returns the proposed charter to the charter commission with a statement of his objections. (117.22)

Note: The two steps below would apply only when the Governor has expressed objections to the proposed charter.

Charter Commission:

47. Spreads the reasons for the Governor's objections upon its records. (117.22)
48. Reconsiders the charter in the light of the Governor's objections. (117.22)
49. Provides the manner of nominating the candidates for the first elective officers provided for in the proposed charter. (117.15)

Note: Steps 49 through 55 should be set forth and provided for in the schedule portion of the proposed charter.

50. Fixes the date of the first city election and referendum on the proposed charter. (117.15)

Note 1: The charter commission provides all other things that are necessary for the conduction of the election of the first elective officers of the proposed city.

Note2: This election is held in conjunction with the referendum on the proposed charter.

51. Publishes the proposed charter at least once in 1 or more newspapers published in the proposed city, not less than 2 weeks or more than 4 weeks preceding the election. (117.15)
 - A. Includes a notice of the election and that on the date fixed the question of adopting the proposed charter will be voted on.
 - B. Assures that the elective officers provided for in the charter will be elected on the same date.
52. Posts notices of the election in at least 10 public places within the proposed city, not less than 10 days prior to the election. (117.15)

53. Provides 1 or more polling places for the election and posts notices of their location in at least 10 public places not less than 10 days prior to the election. (117.15)

54. Appoints the election inspectors. (117.115)

Note: Election procedures should follow the requirements of the state election laws.

55. Submits the prepared charter to the electors of the affected territory for their approval or rejection. (117.22)

Electors:

56. Approve or disapprove the proposed charter. (117.22)

Election Inspectors:

57. Make returns to the local clerk(s). (MSA 6.1809)

Local Clerks:

58. Take the returns to the county clerk the day after the election. (MSA 6.1809)

Note: See note under step 33.

Village, Township or County Board of Canvassers:

59. Canvasses the vote for and against the charter. (MSA 6.1030(1))

Note: See note under step 33.

***NOTE: FOLLOW STEPS 60 THROUGH 64 ONLY IF CHARTER IS APPROVED**

Charter Commission:

60. Files a copy of the approved charter with the Boundary Commission.

Charter Commission and Boundary Commission:

61. Secure certificates from the boards of canvassers showing: 117.13

A. The total number of votes cast if a referendum election on the question of incorporation was held, including the votes cast for and against the question.

B. The votes received by each charter commission candidate.

C. The votes for and against the charter

D. The votes for all candidates for the new city's first elective officers.

62. Attach to the initiatory petition every resolution, affidavit or certificate necessarily following the petition, including the certificates of step 61. (117.13)

63. File the initiatory petition and its attachments along with 2 copies of the charter with the county clerk or clerks and the Secretary of State. (117.13 and 117.24)

County Clerk(s) and Secretary of State:

64. Each record the copies of the petition and its attachments in a book to be kept for that purpose. (117. 13)

Note 1: Either of such records or certified copies shall be prima facie evidence of the incorporation. Upon filing, the charter becomes law unless a later date is set in the charter.

Note 2: Should the proposed charter be rejected, the person receiving the most votes for mayor, serves as de facto officer until a mayor is elected and qualified pursuant to a charter approved by the electors. In such event, steps 65 through 67 may be taken.

De Facto Officer:

65. Reconvenes the charter commission if no petition is filed for election of a new charter commission. (117.16)

Charter Commission:

66. Revises the proposed charter for resubmission to the electors. (117.16)

67. Resubmits the proposed charter to the electors. (117.16)

Note: If, on submission of a second charter, a favorable vote is not obtained, the incorporation proceedings shall be ended. If a charter has not been adopted within a period

of 2 years following the date of the commission's order becomes final, or if within the 2 year period the charter commission does not reconvene within 90 days after the defeat of the first proposed charter, the incorporation proceedings are ended. (Sec. 10(6), 191)

Qualified Electors:

68. May petition the de facto mayor for an election to select a new charter commission, by filing the signatures of 300 qualified electors. (117.17)

Note: Must be filed within 10 days of the canvass of the vote on the charter.

De Facto Officer:

69. Certifies upon the petition that it contains the required number of signatures. (117.17)
70. Files the petition with the Boundary Commission. (117.17)

Boundary Commission:

71. Gives notice to the filing of the petition in the same manner as upon the filing of the original incorporation petition. (117.17)
72. Orders the election of a new charter commission in the same manner as the first charter commission.

Electors of the Affected Territory:

73. Repeat the procedures of electing a charter commission, drafting a charter and voting on the proposed charter. (117.17)

WEDNESDAY, FEBRUARY 28, 2007
COMMENTS, CONCERNS, QUESTIONS

At an Open House to review the "Draft" Report of the City Study Committee the following comments, concerns, and question were raised.

- What would be the legal cost to go through this process? John Coy mentioned that in the report on page 3, table 2 Transition costs were outlined. One of the items under one-time expenses is Name Change, Application Fees, Legal, etc. The Committee estimated that legal cost would be between \$10,000 and \$15,000.
- A concern was raised about Police contracting. It was discussed that whether Dexter is a Village or a City will not change our choices with regard to contracting for police services or pursuing other options.
- The 3rd item listed as a consideration on page 7 of the report - A city gets more respect from other Cities, County and the State than a Village. Doesn't the Village get respect now? John Coy shared a "for instance", when setting up the Village's Local Development Finance Authority; the legislation left Village's out. Mr. Bishop traveled to Lansing to get Village's included in this legislation so that we could pursue an industrial park.
- A question regarding representatives from the City of Chelsea; did officials or residents provide input? John Coy said that Mayor Feeney and Jack Merkel, a business owner, were asked to attend one of our meetings. Also John Coy personally had spoken with several residents from the City.
- A concern from the previous question that some residents in Chelsea wished they had turned down City status.
- A question about the Building Department Function. Currently the village uses the County Building Department. There is no requirement for a City to create its own Building Department.
- A concern was raised that the sole purpose of becoming a City is to bring the Sloan/Kingsley property into the City. A related question was raised whether the Sloan/Kingsley debate should be left out of the decision to become a City and whether it is possible for Council to allow the City Study Committee to resolve annexation issues. John Coy said that pursuing City status is not about becoming larger. Ongoing issues surrounding the

political debate on the Sloan/Kingsley property will be worked through regardless of Village or City status. As a City, the annexation request would go to the State Boundary Commission, which some believe makes the process easier as it moves the political debate out of the local arena. The mission of the City Study committee was to evaluate if becoming city should be pursued at this time. The Village Council deals with questions about annexation.

- The concern over growing pains and whether the committee talked to an established City like Saline for advice. It was felt that many occasions to get advice from established City's like Saline would occur throughout the process of becoming a City.
- A question about tax tribunal or Boards of Review as a City, Dexter would be required to create a Board of Review to determine hardship cases.
- Reference was made to minutes from a 1990 Village Council meeting that included discussion of a new DPW facility, Village Hall, becoming a City and purchasing a fax machine. The village will complete construction of its DPW facility this summer, pursue options for a Village Hall, and hopefully follow through on the steps to becoming a City.
- One - written comment: "As a citizen, I don't think that the Village should pass up the opportunity to annex land as part of this process. Township zoning of a house per acre is not sustainable."

BASIC STRUCTURE OF HOME RULE CITIES

One of the tasks undertaken by the Citizen Committee is to detail the basic structure of a Home Rule City. The concept of Home Rule Cities was established by the Michigan Constitution of 1908 and implemented by the enactment of the Home Rule Cities Act, Public Act 279 of 1909. The Act provides for a general grant of rights and powers. The Act grants broad powers to all cities and allows each one the flexibility and latitude to accommodate its own local needs. Becoming a Home Rule City affords the citizenry an opportunity to establish a modern governmental organization by the adoption of a Home Rule City Charter.

The predominate advantage of Home Rule is that the local citizenry can best address the needs of the community and thereby formulate a government organization that will best establish economic efficiency and promote the specific needs of the community.

Incorporation as a Home Rule City and the adoption of a Home Rule Charter guarantees the highest degree of self-determination and control of the community's destiny. The Home Rule Cities Act required that certain mandatory charter provisions must be provided for in a Home Rule City Charter.

The most significant mandatory charter provision include the following:

1. City government organization
2. Election procedures
3. Taxation powers and procedures
4. Public records
5. Annual appropriation
6. Levy, collection and return of state, county and school taxes
7. Provide for peace, health and safety
8. Adoption, amendment, repeal and publication of ordinances
9. Uniform system of account

Other permissible Charter Provisions include, but are not limited to the following:

1. Borrowing power
2. Limitations on borrowing power
3. Zoning and condemnation
4. Sewer
5. Lighting
6. Transportation
7. Street plans
8. Water courses
9. Acquisition, lease and sale of property
10. Bonds
11. Voter referendums

The primary change in status from a Village to a City results in new legal responsibilities formerly carried on by the township:

1. Assessing property- The community can hire or contract for city assessing services.
2. Collecting County, School, and special taxing authorities taxes
3. Conducting County, State and National elections
 - a. Maintain voter registration lists
 - b. Provide voting facilities and equipment

